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AT 8:30 11:35 A M
WILLIAM T. WALSH
CLERK SPC

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Criminal No. 19-
	:	
ALEKSEY TIMOFEYEVICH STROGANOV,	:	18 U.S.C. § 1028A(a)(1)
a/k/a "Aleksei Stroganov,"	:	18 U.S.C. § 1343
a/k/a "Gursky Oleg,"	:	18 U.S.C. § 1344
a/k/a "Oleg Gurskiy," and	:	18 U.S.C. § 1349
a/k/a "Строганов Алексей Тимофеевич"	:	18 U.S.C. § 2

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

COUNT ONE
(Conspiracy to Commit Wire Fraud Affecting a Financial Institution)

Overview

1. From as early as in or around May 2007 through in or around July 2017, ALEKSEY TIMOFEYEVICH STROGANOV, a/k/a "Aleksei Stroganov," a/k/a "Gursky Oleg," a/k/a "Oleg Gurskiy," and a/k/a "Строганов Алексей Тимофеевич," (hereinafter "STROGANOV") and his co-conspirators engaged in an international criminal scheme, whereby they:

a. Used sophisticated techniques and tools to hack into the computers of individuals and companies in the United States and elsewhere, and used that illicit access to steal data, including, among other things, debit and credit card numbers ("Payment Card Data") and other personal identifying

information (“PII”) of victims; and

b. Sold the stolen Payment Card Data and PII to other criminals through a network of websites and online forums that existed to facilitate the sale of such data on the black market.

3. The stolen Payment Card Data and PII was then used to illegally access and withdraw money from victim bank accounts and to incur unauthorized charges.

4. These unauthorized withdrawals and charges resulted in significant losses to financial institutions in New Jersey and elsewhere. STROGANOV’s gains from the scheme exceed approximately \$35 million.

Relevant Entities, Individuals, And Terms

5. At various times relevant to this Indictment:

a. STROGANOV was a citizen and resident of Russia.

STROGANOV used a number of online monikers or “nics” to conceal his true identity.

b. Co-Conspirator Roman Seleznev (“Seleznev”) was a seller of stolen Payment Card Data and PII. Seleznev operated a website he used to sell Payment Card Data he obtained from STROGANOV (the “Seleznev Card Shop”).

c. Payment cards had a magnetic stripe on the back of each card encoded with three “tracks” of data, each containing unique information. Tracks one and two were used for financial transactions, such as ATM machines and point of sale terminals. Track two included an account holder’s primary account number, expiration date, and service code, among other PII.

Track data could be encoded on the magnetic stripe on the back of a counterfeit payment card and used to enter into unauthorized financial transactions. Criminals often referred to track two data generically as “track data” or “dumps.”

d. “Cybercrime forums” were online black market forums where criminals promoted and facilitated a wide variety of criminal activities including, among others, computer hacking and trafficking in stolen track data obtained through computer hacking.

e. “Card shops” were websites where users could purchase stolen track data directly from the individuals running the shop. These shops used ordering systems akin to legitimate e-commerce sites, using features such as payment through virtual currencies and virtual shopping carts.

f. “Vendors” referred to individuals who trafficked in track data. Vendors could be found on cybercrime forums and running card shops. Vendors typically sold to end users, referred to as “cashers,” that purchased the stolen information and monetized it by encoding the data onto the magnetic stripe of a counterfeit payment card and using the counterfeit card to enter into unauthorized financial transactions.

g. “Malware” was malicious computer software programmed to, among other things, gain unauthorized access to computers and to identify, store, and export information from hacked computers, including Payment Card Data.

h. Neiman Marcus was a luxury specialty department store owned

by the Neiman Marcus Group, headquartered in Dallas, Texas, with approximately 41 retail locations across the country, including in New Jersey. At least as early as in or about June 2013, hackers gained unauthorized access to Neiman Marcus's point-of-sale networks and installed malware designed to steal track data (the "Neiman Marcus Breach").

i. Michaels Stores, Inc. ("Michaels") was an arts and craft retail chain headquartered in Irving, Texas, with over a thousand retail locations across the country, including in New Jersey. At least as early as in or about June 2013, hackers gained unauthorized access to Michaels's point-of-sale networks and installed malware designed to steal track data (the "Michaels Breach").

j. Victim Bank #1 was a financial institution, as that term is defined in Title 18, United States Code, Section 20, headquartered in Passaic County in New Jersey. Victim Bank #1 maintained significant infrastructure in New Jersey, including computer servers housing banking information.

k. "Customer #1," a resident of Flanders, New Jersey, was the accountholder of a payment card account issued by Victim Bank #1.

l. "Customer #2," a resident of Chester, New Jersey, was the accountholder of a payment card account issued by Victim Bank #1.

m. "Customer #3," a resident of Hackettstown, New Jersey, was the accountholder of a payment card account issued by Victim Bank #1.

The Conspiracy

6. From at least as early as in or about May 2007 through in or about

July 2017, in Passaic County, in the District of New Jersey and elsewhere, the defendant,

**ALEKSEY TIMOFEYEVICH STROGANOV,
a/k/a “Aleksei Stroganov,”
a/k/a “Gursky Oleg,”
a/k/a “Oleg Gurskiy,” and
a/k/a “Строганов Алексей Тимофеевич,”**

did knowingly and intentionally conspire and agree with others known and unknown to devise a scheme and artifice, affecting a financial institution, to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

OBJECT OF THE CONSPIRACY

7. It was the object of the conspiracy for STROGANOV and others to profit from the sale of Payment Card Data and PII stolen from victim computer networks.

MANNER AND MEANS OF THE CONSPIRACY

8. It was part of the conspiracy that:

a. The co-conspirators used a variety of sophisticated techniques to hack into victim networks and steal PII, Payment Card Data, and other financial information. For instance, they created and controlled malware that was used to infect victim computer systems in the United States and

elsewhere. In many cases, this malware was designed specifically to steal PII, Payment Card Data, and other banking information from infected computers.

b. By repeatedly hacking and stealing financial data, STROGANOV and his co-conspirators created large databases of stolen PII, Payment Card Data, and other banking information. They stole and harvested data from hundreds of millions of credit card and banking accounts. STROGANOV and his co-conspirators trafficked in Payment Card Data and PII stolen from many victims, including from major United States retailers, including, but not limited to Neiman Marcus and Michaels.

c. To profit from this massive theft, STROGANOV operated a network of re-sellers and vendors to sell the stolen data. STROGANOV acted as a wholesaler of stolen information, and provided vendors under his employ access to databases, which he sometimes referred to as “bases,” containing PII and Payment Card Data for hundreds of thousands of accounts. STROGANOV’s vendors then sold the stolen information on the online black market, either through cybercrime forums or card shops. Although vendors often ran their own card shops under the vendor’s own “brand,” in reality, the ostensibly separate card shops were selling PII and Payment Card Data from databases controlled by STROGANOV. In short, STROGANOV and his direct subordinates operated a single “back end” database of stolen data, and granted vendors access to the database. In return, STROGANOV took a majority of his vendors’ profits. By in or about 2016, STROGANOV and his co-conspirators sold approximately \$2 million in stolen PII and Payment Card Data in a single

month.

d. To further the objectives of the conspiracy, STROGANOV and others sent interstate wire communications to the District of New Jersey and elsewhere, including e-mails, encrypted online messages, and posts on online criminal hacking forums.

9. It was further part of the conspiracy that:

a. Seleznev, one of STROGANOV's vendors, operated several card shops, including the Seleznev Card Shop, through which Seleznev sold stolen information provided by STROGANOV and others. Seleznev used the Seleznev Card Shop to sell, among other things, databases of stolen Payment Card Data, including track data, that Seleznev obtained from STROGANOV.

b. For example, from in or about August 2013 through in or about August 2014, STROGANOV provided approximately 379,357 pieces of track data to Seleznev. Seleznev then sold the track data through the Seleznev Card Shop for a profit of approximately \$6,877,060.

c. Track data for payment card accounts issued by Victim Bank #1 in the names of Customer #1, Customer #2, and Customer #3 was also sold through the Seleznev Card Shop.

d. Shortly after being sold on the Seleznev Card Shop, the stolen payment card numbers for Customer #1, Customer #2, and Customer #3 were used to make unauthorized transactions, which required wires to be sent to and from Victim Bank #1's servers in New Jersey:

i. On or about February 22, 2014, Customer #1's account was

fraudulently charged approximately \$610.04;

ii. On or about February 25, 2014, Customer #2's account was fraudulently charged approximately \$674.62; and

iii. On or about February 26, 2014 Customer #3's account was fraudulently charged approximately \$674.62.

10. It was further part of the conspiracy that financial institutions such as Victim Bank #1 suffered losses through unauthorized access and fraudulent charges.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH FOUR
(Wire Fraud Affecting a Financial Institution)

1. Paragraphs 1 through 5 and 7 through 10 of Count One of this Indictment are re-alleged and incorporated as though fully set forth herein.

2. On or about the dates listed below, in Passaic County, in the District of New Jersey and elsewhere, the defendant,

ALEKSEY TIMOFEYEVICH STROGANOV,
a/k/a “Aleksei Stroganov,”
a/k/a “Gursky Oleg,”
a/k/a “Oleg Gurskiy,” and
a/k/a “Строганов Алексей Тимофеевич,”

did knowingly and intentionally devise and intend to devise a scheme and artifice, affecting a financial institution, to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce the following writings, signs, signals, and sounds, and did aid and abet in the same, each constituting a separate Count of this Indictment:

Count	Approximate Date	Description
Two	February 22, 2014	Unauthorized transaction in the approximate amount of \$610.04 using Victim Bank #1 payment card account ending in 7061 and belonging to Customer #1
Three	February 25, 2014	Unauthorized transaction in the approximate amount of \$674.62 using Victim Bank #1 payment card account ending in 7680 and belonging to Customer #2
Four	February 26, 2014	Unauthorized transaction in the approximate amount of \$674.62 using Victim Bank #1 payment card account ending in 3698 and belonging to Customer #3

In violation of Title 18, United States Code, Section 1343, and Title 18, United States Code, Section 2.

COUNTS FIVE THROUGH SEVEN
(Bank Fraud)

1. Paragraphs 1 through 5 and 7 through 10 of Count One of this Indictment are re-alleged and incorporated as though fully set forth herein.

2. On or about the dates listed below, in Passaic County, in the District of New Jersey and elsewhere, the defendant,

ALEKSEY TIMOFEYEVICH STROGANOV,
a/k/a “Aleksei Stroganov,”
a/k/a “Gursky Oleg,”
a/k/a “Oleg Gurskiy,” and
a/k/a “Строганов Алексей Тимофеевич,”

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud financial institutions, including Victim Bank #1, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of financial institutions, including Victim Bank #1, by means of materially false and fraudulent pretenses, representations, and promises, and to aid and abet in the same, each constituting a separate Count of this Indictment:

Count	Approximate Date	Description
Five	February 22, 2014	Unauthorized transaction in the approximate amount of \$610.04 using Victim Bank #1 payment card account ending in 7061 and belonging to Customer #1
Six	February 25, 2014	Unauthorized transaction in the approximate amount of \$674.62 using Victim Bank #1 payment card account ending in 7680 and belonging to Customer #2
Seven	February 26, 2014	Unauthorized transaction in the approximate amount of \$674.62 using Victim Bank #1 payment card account ending in 3698 and belonging to Customer #3

In violation of Title 18, United States Code, Section 1344, and Title 18, United States Code, Section 2.

COUNTS EIGHT THROUGH TEN
(Aggravated Identity Theft)

1. Paragraphs 1 through 5 and 7 through 10 of Count One of this Indictment are re-alleged and incorporated as though fully set forth herein.

2. On or about the dates listed below, in Passaic County, in the District of New Jersey, and elsewhere, the defendant,

ALEKSEY TIMOFEYEVICH STROGANOV,
a/k/a “Aleksei Stroganov,”
a/k/a “Gursky Oleg,”
a/k/a “Oleg Gurskiy,” and
a/k/a “Строганов Алексей Тимофеевич,”

did knowingly and intentionally transfer, possess, and use, without lawful authority, the means of identification listed below, during and in relation to felony violations of provisions of Chapter 63 of the United States Code, that is, wire fraud in violation of Title 18, United States Code, Section 1343, and conspiracy to commit wire fraud in violation of Title 18, United States Code, Section 1349, as charged in Counts One through Four of this Indictment, and bank fraud in violation of Title 18, United States Code, Section 1344, as charged in Counts Five through Seven of this Indictment, and did aid and abet in the same, each constituting a separate Count of this Indictment:

Count	Approximate Date	Means of Identification
Eight	February 22, 2014	Payment card number ending in 7061 for payment card account in the name of Customer #1 and issued by Victim Bank #1
Nine	February 25, 2014	Payment card number ending in 7680 for payment card account in the name of Customer #2 and issued by Victim Bank #1
Ten	February 26, 2014	Payment card number ending in 3698 for payment card account in the name of Customer #3 and issued by Victim Bank #1

In violation of Title 18, United States Code, Section 1028A(a)(1), and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION AS TO COUNTS ONE THROUGH FOUR

1. As a result of committing the wire fraud offenses charged in Counts One through Four of this Indictment, the defendant,

**ALEKSEY TIMOFEYEVICH STROGANOV,
a/k/a “Aleksei Stroganov,”
a/k/a “Gursky Oleg,”
a/k/a “Oleg Gurskiy,” and
a/k/a “Строганов Алексей Тимофеевич,”**

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the violations of Title 18, United States Code, Sections 1343 and 1349, and all property traceable thereto, alleged in Counts One through Four of this Indictment.

FORFEITURE ALLEGATION AS TO COUNTS FIVE THROUGH SEVEN

1. As a result of committing the bank fraud offenses charged in Counts Five through Seven of this Indictment, the defendant,

**ALEKSEY TIMOFEYEVICH STROGANOV,
a/k/a “Aleksei Stroganov,”
a/k/a “Gursky Oleg,”
a/k/a “Oleg Gurskiy,” and
a/k/a “Строганов Алексей Тимофеевич,”**

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any property constituting or derived from proceeds obtained directly or indirectly as a result of the violations of Title 18, United States Code, Section 1344 alleged in Counts Five through Seven of this Indictment.

SUBSTITUTE ASSETS PROVISION
(Applicable to All Forfeiture Allegations)

1. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

the United States shall be entitled, pursuant to 21 U.S.C. § 853(p) (as incorporated by 28 U.S.C. § 2461(c) and 18 U.S.C. §§ 982(b)), to forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.

A TRUE BILL



FOREPERSON


CRAIG CARPENITO
United States Attorney